

Message Text

UNCLASSIFIED

PAGE 01 THE HA 01489 01 OF 05 230621Z
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 MMO-04 CIAE-00 INR-07 LAB-04
NSAE-00 PA-02 SIL-01 USIA-15 PRS-01 /055 W
-----230758Z 049848 /21

R 221538Z MAR 77
FM AMEMBASSY THE HAGUE
TO SECSTATE WASHDC 117
USDOC WASHDC
INFO AMEMBASSY BRUSSELS

UNCLAS SECTION 1 OF 5 THE HAGUE 1489

E.O. 11652: NA
TAGS: BEXP NL
SUBJECT: NETHERLANDS COUNTRY COMMERCIAL PROGRAM -- PRELIMINARY
FY-1979 INPUTS

REF: (A) STATE 044899, (B) THE HAGUE 0750, (C) 76 STATE A-5960

1. INTRODUCTION AND SUMMARY. A. RE REF A REQUESTED, THIS CABLE INCLUDES OUR PRELIMINARY RECOMMENDATIONS FOR CAMPAIGN AND OTHER SPECIAL POST EFFORT ACTIVITIES FOR THE FY-1979 COUNTRY COMMERCIAL PROGRAM (CCP), WHICH HAVE BEEN APPROVED BY THE AMBASSADOR AND THE OTHER MEMBERS OF THE COUNTRY COMMERCIAL ACTION GROUP (CCAG).

B. WE PROPOSE ELEVEN CAMPAIGNS (SIX OF THE SEVEN MENTIONED IN REF B, PLUS FOUR WHICH WERE IN THE FY-78 CCP OTHER SPECIAL POST EFFORT CATEGORY, PLUS ONE NEW CAMPAIGN: METAL WORKING AND FINISHING EQUIPMENT), AND NINE OTHER SPECIAL POST EFFORT ACTIVITIES. THE LATTER INCLUDE SEVEN ACTIVITIES PREVIOUSLY RECOMMENDED FOR THE FY-78 CCP PLUS EQUIPMENT FOR THE CHEMICAL AND PETROCHEMICAL INDUSTRIES, PREVIOUSLY A CAMPAIGN, PLUS A NEW ACTIVITY: PRINTING AND GRAPHIC ARTS EQUIPMENT. WE HAVE DROPPED THREE FY-78 ACTIVITIES: THE FOREIGN BUYER PROGRAM (FBP), IN VIEW OF THE APPARENT WASHINGTON DECISION TO CUT IT SO
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 THE HA 01489 01 OF 05 230621Z

DRASTICALLY SO AS TO REDUCE THIS EXCELLENT TRADE PROMOTION TOOL TO ONE REQUIRING LIMITED FIELD EFFORT (SEE STATE 045849 AND THE HAGUE 1170); THE EMBASSY COMMERCIAL NEWSLETTER, WHICH BY FY-79 SHOULD HAVE BECOME WELL ESTABLISHED AS TO FORMAT, CONTENT AND CIRCULATION; AND THE FOREIGN TRADERS INDEX (FTI), WHICH SHOULD HAVE BEEN ADEQUATELY STRENGTHENED BY FY-1979, AND MODIFICATION AND ADDITIONS TO IT NO LONGER REQUIRING A

SPECIAL, CCP IDENTIFIED, EFFORT.

C. IT WILL BE NOTED THAT THE PROPOSED CAMPAIGNS AND OTHER SPECIAL POST EFFORTS COVER ALL THIRTEEN BEST PROSPECTS PRODUCT CATEGORIES (76 THE HAGUE A-124).

D. AS SUGGESTED IN REF A, WE HAVE BASED OUR RECOMMENDATIONS ON THE CURRENT LEAN STATE-FUNDED PERSONNEL (SEE PARA 2, REF B). THIS IS THE MINIMUM STAFF INDISPENSABLE TO ENABLE US TO COME CLOSE TO PROTECTING ADEQUATELY EXISTING US INTERESTS AND DEVELOPING THIS MOST FERTILE MARKET FOR US EXPORTS (\$4.6 BILLION IN 1976 -- \$470 MILLION OVER 1975) AS WELL AS A SOURCE OF SUBSTANTIAL FOREIGN INVESTMENT IN THE US (817 MILLION IN QOUT FOR A BOOK VALUE TOTAL OF \$3.7 BILLION, THE THIRD LARGEST INVESTING COUNTRY IN THE US). IN CASE OUR PERSONNEL RESOURCES ARE REDUCED AT IMPLEMENTATION TIME OF THE FY-79 CCP, WE WILL HAVE TO ADAPT OUR CCP PROPOSALS AS WELL AS OUR COMMERCIAL OPERATIONS ACCORDINGLY.

E. OUR RECOMMENDATIONS FOR FY-79 CAMPAIGN AND OTHER SPECIAL POST EFFORT ACTIVITIES ARE AS FOLLOWS:

2. SECTION III - CAMPAIGN DEVELOPMENT

A. CAMPAIGN NO 1. PRIORITY RANK NO 1. TITLE: CONSUMER GOODS

OBJECTIVE AND RATIONALE: AN ESTIMATED \$69 BILLION IS EXPECTED TO BE SPENT IN THE NETHERLANDS ON CONSUMER GOODS IN FY-79. THIS INVOLVES AN AVERAGE ANNUAL GROWTH OF 14 PERCENT. IMPORTS UNCLASSIFIED

UNCLASSIFIED

PAGE 03 THE HA 01489 01 OF 05 230621Z

SHOULD GROW EVEN MORE RAPIDLY AS PRODUCTION COSTS, ESPECIALLY LABOR, REDUCE DUTCH COMPETITIVENESS. IMPORTS COULD REACH \$14.5 BILLION BY 1979. BASED ON HISTORIC US SHARE OF 4 PERCENT, THIS WOULD MEAN US EXPORTS OF \$580 MILLION IN THAT YEAR. THE MOST ATTRACTIVE SUB-SECTORS FOR US EXPORTS ARE: APPAREL, FURNITURE, CAMPERS AND EQUIPMENT, PLEASURE BOATS, HOUSEWARES, SPORTS AND RECREATION EQUIPMENT, DOMESTIC APPLIANCES, AND PHOTOGRAPHIC EQUIPMENT AND SUPPLIES. WE BELIEVE THAT TRADEPROMOTION EFFORTS COULD IMPROVE ON THE PROJECTED FIGURE OF \$580 MILLION WORTH OF US EXPORTS IN 1979. IN THAT REGARD, IT IS OF INTEREST THAT A GROUP FLIGHT,

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 THE HA 01489 02 OF 05 230643Z
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 MMO-04 CIAE-00 INR-07 LAB-04
NSAE-00 PA-02 SIL-01 USIA-15 PRS-01 /055 W
-----230758Z 050036 /21

R 221538Z MAR 77
FM AMEMBASSY THE HAGUE
TO SECSTATE WASHDC 118
USDOC WASHDC
INFO AMEMBASSY BRUSSELS

UNCLAS SECTION 2 OF 5 THE HAGUE 1489

CO-SPONSORED BY AMCONGEN AMSTERDAM, TO THE 1977 NATIONAL SPORTING
GOODS SHOW RESULTED IN THE CONFIRMED APPOINTMENT OF 19 NEW
DUTCH REPRESENTATIVES/AGENTS.

B. CAMPAIGN NO 2. PRIORITY RANK NO 2. TITLE: AUTOMOTIVE
PARTS AND ACCESSORIES, AND GARAGE EQUIPMENT

OBJECTIVE AND RATIONALE: 1976 DUTCH EXPENDITURES ON AUTOMOTIVE
PARTS AND ACCESSORIES INCREASED BY 24 PERCENT OVER QOUT TO
ABOUT \$880 MILLION. IMPORTS WERE ABOUT \$625 MILLION, OF WHICH \$29
WAS SUPPLIED BY THE US. COMPARED TO 1975, THE MARKET FOR GARAGE
EQUIPMENT GREW BY 23 PERCENT IN 1976 TO \$63 MILLION. IMPORTS
AMOUNTED TO \$42 MILLION, OF WHICH THE US SHARE WAS ABOUT
\$3.3 MILLION. WE EXPECT THE MARKET FOR THESE TWO SUB-SECTORS
TO CONTINUE TO EXPAND AT AN AVERAGE ANNUAL RATE OF 23 PERCENT.
BY 1979, DUTCH EXPENDITURES FOR AUTOMOTIVE PARTS AND
ACCESSORIES AND GARAGE EQUIPMENT ARE EXPECTED TO REACH \$1.6
BILLION. ACTIVE TRADE PROMOTION SHOULD ENHANCE POTENTIAL FOR
INCREMENTAL US EXPORTS.

C. CAMPAIGN NO 3. PRIORITY RANK NO 3. TITLE: SAFETY AND
SECURITY EQUIPMENT AND SYSTEMS

OBJECTIVE AND RATIONALE: BASED ON INFORMATION FROM THE TRADE
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 THE HA 01489 02 OF 05 230643Z

AND THE INSURANCE COMPANIES THEMSELVES, THE LATTER ARE RELUCTANT
TO ISSUE POLICIES AND, IF THEY DO, THEY ARE CHARGING HIGHER
INSURANCE PREMIUMS FOR INADEQUATELY SECURED AND PROTECTED
INDUCTRIAL, COMMERCIAL AND PRIVATE ESTABLISHMENTS IN THE
NETHERLANDS AS A RESULT OF RISING CRIME AND ACCIDENT RATES,
AS WELL AS THE HIGHER COST OF CLAIMS. BRITISH AND GERMAN
SUPPLIERS CONTINUE TO REMAIN IN FIRST AND SECOND PLACE.

HOWEVER, US EXPERTISE AND PRODUCTS ARE RESPECTED AND APPRECIATED IN THSI GROWING MARKET. TRADE PROMOTION EFFORTS SHOULD RESULT IN INCREASED US EXPORTS.

D. CAMPAIGN NO 4. PRIORITY RANK NO 4. TITLE: POLLUTION CONTROL EQUIPMENT AND INSTRUMENTATION

OBJECTIVE AND RATIONALE: EVERY MAJOR CONSTRUCTION, PUBLIC WORKS AND INDUSTRIAL PLANT PROPOSAL SUBMITTED TO THE AUTHORITIES FOR APPROVAL, MUST INCLUDE POLLUTION CONTROLS TO AVOID HARMING THE ENVIRONMENT. YEARLY GOVERNMENT SPENDING IN THIS AREA IS EXPECTED TO TAKE UP 1 PERCENT OR MORE OF THE NATIONAL BUDGET, AOBUT \$400 MILLION IN FY-79. PRIVATE EXPENDITURE MAY EXCEED \$1,000 MILLION ANNUALLY. DEMAND FOR POLLUTION CONTROL PRODUCTS IS ALSO EXPECTED TO EXPAND WITH THE PLANNED INCREASED USE OF COAL AS AN ENERGY SOURCE. OUR ADVANCED TECHNOLOGY AND THE FAVORABLE REPUTATION OF US PRODUCTS, COMBINED WITH ADEQUATE PROMOTION EFFORTS, SHOULD LEAD TO INCREMENTAL US EXPORTS IN FY-79.

3. CAMPAIGN NO 5. PRIORITY RANK NO 5. TITLE: COMPUTERS AND PERIPHERALS -- BUSINESS EUQIPMENT AND SYSTEMS

OBJECTIVE AND RATIONALE: AMERICAN MANUFACTURERS DOMINATE THE DUTCH COMPUTER MARKET, ESPECIALLY THAT OF MAINFRAMES, WITH THEIR PRODUCTS MANUFACTURED AT AMERICAN PLANTS OR BY THEIR MAJOR SUBSIDIARIES IN THE NETHERLANDS AND OTHER COUNTRIES. DEVELOPMENTS, SUCH AS THE MINI AND MICRO COMPUTERS, HAVE GIVEN COMPETITION THE OPPORTUNITY TO ENTER THIS FIELD.
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 THE HA 01489 02 OF 05 230643Z

MAJOR US MANUFACTURERS ARE WELL INTRODUCED IN THE MARKET THROUGH THEIR ACTIVE SALES OFFICES, CUSTOMER/STAFF TRAINING PROGRAMS, AND PERFORMANCE OF TECHNICAL SERVICES. HOWEVER, NEW SUPPLIERS, ESPECIALLY SMALL AND MEDIUM SIZE FIRMS, REQUIRE ACTIVE SUPPORT TO PENETRATE THIS EXPANDING MARKET. WE BELIEVE OUR EXPORTS COULD REACH \$100 MILLION IN FY-79. THE HIGH LABOR COSTS IN THE NETHERLANDS HAVE RESULTED IN AN EXPANDING DEMAND FOR A VARIETY OF BUSINESS EQUIPMENT AND SYSTMES WHICH NOT ONLY GENERATE OPERATIONAL SAVINGS, BUT ALSO INCREASE EFFICIENCY. AMERICAN ADVANCED TECHNOLOGY, ESPECIALLY IN WORD PROCESSING EQUIPMENT AND RETAIL CHECK-OUT SYSTEMS, OFFERS ADDITIONAL ADVANTAGES TO US EXPORTERS. OUR MAIN COMPETITORS ARE WEST GERMANY AND THE UK. ACTIVE TRADE PROMOTION EFFORTS SHOULD HELP TO MAINTAIN AND ENHANCE THE POTENTIAL FOR OUR EXPORTS, WHICH COULD REACH \$50 MILLION IN FY-79.

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 THE HA 01489 03 OF 05 230723Z
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 MMO-04 CIAE-00 INR-07 LAB-04
NSAE-00 PA-02 SIL-01 USIA-15 PRS-01 /055 W
-----230759Z 050437 /21

R 221538Z MAR 77
FM AMEMBASSY THE HAGUE
TO SECSTATE WASHDC 119
USDOC WASHDC
INFO AMEMBASSY BRUSSELS

UNCLAS SECTION 3 OF 5 THE HAGUE 1489

F. CAMPAIGN NO 6. PRIORITY RANK NO 6. TITLE: HEALTH CARE
INSTRUMENTS

OBJECTIVE AND RATIONALE: THE CONSOLIDATION AND MODERNISATION
OF HOSPITALS AND CLINICS, AS WELL AS THE EXPANDING EQUIPMENT
NEEDS OF DOCTORS AND DENTISTS, ARE EXPECTED TO RESULT IN
INCREASING IMPORTS OF HEALTH CARE EQUIPMENT. OUR SALES HAVE
BEEN RISING REGULARLY. THEY REACHED \$41.3 MILLION IN
1975 AND \$26.5 MILLION IN THE FIRST HALF OF 1976. TRADE
PROMOTION EFFORTS SHOULD INCREASE OUR SHARE OF THIS MARKET.

G. CAMPAIGN NO 7. PRIORITY RANK NO 7. TITLE: LABORATORY
INSTRUMENTS

OBJECTIVE AND RATIONALE: BOTH GOVERNMENT AND PRIVATE RESEARCH
AND DEVELOPMENT, AS WELL AS THE NEED OF QUALITY CONTROL IN
SUCH FIELDS AS THE CHEMICAL AND PETROCHEMICAL INDUSTRIES,
ENERGY, METALS AND ELECTRONICS, SHOULD CONTRIBUTE TO THE
EXPANDING DEMAND FOR LABORATORY INSTRUMENTS. OUR EXPORTS
REACHED \$27.3 MILLION IN 1975 AND \$14.6 MILLION IN THE FIRST
HALF OF 1976. THEY SHOULD INCREASE IN FY-79 WITH ACTIVE
TRADE PROMOTION EFFORTS. AMONG THE MAJOR SUB-CATEGORIES THAT
COULD BENEFIT FROM SUCH EFFORTS ARE PHYSICAL PROPERTY AND
TEST INSTRUMENTS, NUCLEAR MEASURING AND ANALYTICAL INSTRUMENTS,
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 THE HA 01489 03 OF 05 230723Z

AS WELL AS OPTICAL MEASURING INSTRUMENTS, INCLUDING AS AND
LIQUID CHROMATOGRAPHS, SPECTROMETERS AND SPECTROGRAPHS.

#. CAMPAIGN NO 8. PRIORITY 9. TITLE: ELECTRONIC COMPONENTS

OBJECTIVE AND RATIONALE: WE EXPECT THE DEMAND FOR ELECTRONIC COMPONENTS TO EXPAND APPRECIABLY BY FY-79 WITH ESTIMATED IMPORTS OF \$335 MILLION. PASSIVE AND ELECTROMECHANICAL COMPONENTS CONSTITUTE OVER HALF OF THE MARKET, WITH DISCRETE AND INTEGRATED CIRCUIT SEMI-CONDUCTORS ACCOUNTING FOR MUCH OF THE REMAINDER. DUTCH IMPORT STATISTICS ARE NOT SUFFICIENTLY DETAILED AS TO COUNTRY OF ORIGIN. WE BLEIEVE THE FIGURES GIVEN FOR US IMPORTS REPRESENT ONLY A SMALL SHARE OF ACTUAL US SALES IN THE NETHERLANDS. BASED ON INFORMATION FROM VARIOUS SOURCES, WE THINK US EXPORTS OF ELECTRONIC COMPONENTS TO THIS COUNTRY COULD REACH \$90 MILLION IN FY-79, OR 27 PERCENT OF THE MARKET, WITH ACTIVE TRADE PROMOTION EFFORTS.

I. CAMPAIGN NO 9. PRIORITY RANK NO 11. TITLE: PROCESS CONTROL INSTRUMENTATION AND EQUIPMENT

OBJECTIVE AND RATIONALE: DUTCH MANUFACTURERS ARE INCREASING THEIR USE OF PROCESS CONTROLS TO IMPOVE PRODUCTION EFFICIENCY AND TO REDUCE THE EFFECTS OF THE HIGH COSTS OF LABOR, ENERGY AND MATERIALS. OUR ADVANCED TECHNOLOGY AND THE EXCELLENT REPUTATION OF AMERICAN INSTRUMENTS SHOULD MAKE IT POSSIBLE TO INCREASE OUR EXPORTS FROM THE 1975 LEVEL OF \$14.5 MILLION. TRADE PROMOTION EFFORTS WILL PRODUCE RESULTS IN THIS EXPANDING MARKET.

J. CAMPAIGN NO 10. PRIORITY NO 12. TITLE: BUILDING AND CONSTRUCTION MATERIALS AND QUIPMENT

OBJECTIVE AND RATIONALE: A RECENT REVIVAL IN THE ACTIVITIES UNCLASSIFIED

UNCLASSIFIED

PAGE 03 THE HA 01489 03 OF 05 230723Z

OF THIS INDUSTRY IS RECEIVING SUBSTANTIAL ASSISTANCE FROM THE GON IN THE LATTER'S EFFORTS TO REDUCE UNEMPLOYMENT AND ENCOURAGE NEW CONSTRUCTION. IN ORDER TO REDUCE HIGH LABOR AND OTHER COSTS, INNOVATIVE TECHNIQUES, MATERIALS AND EQUIPMENT ARE SOUGHT. FURTHERMORE, SEVERAL AMERICAN CONSTRUCTION MATERIALS AND PRODUCTS ARE COMPETITIVE. WITH MORE TRADE PROMOTION EFFORTS, OUR EXPORTS, WHICH AMOUNTED TO \$32 MILLION IN 1975, COULD BE INCREADED.

K. CAMPAIGN NO 11. PRIORITY RANK NO 13. TITLE: METAL WORKING AND INISHING EQUIPMENT

OBJECTIVE AND RATIONALE: THIS SECTOR HAS BEEN GOING THROUGH DIFFICULTIES IN RECENT YEARS, MOSTLY BECAUSE OF THE DECLINE

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 THE HA 01489 04 OF 05 230737Z
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 MMO-04 CIAE-00 INR-07 LAB-04
NSAE-00 PA-02 SIL-01 USIA-15 PRS-01 /055 W
-----230759Z 050650 /21

R 221538Z MAR 77
FM AMEMBASSY THE HAGUE
TO SECSTATE WASHDC 120
USDOC WASHDC
INFO AMEMBASSY BRUSSELS

UNCLAS SECTION 4 OF 5 THE HAGUE 1489

IN SHIPBUILDING AND THE MANUFACTURE OF METAL PRODUCTS AND
MACHINES. HOWEVER, THE COMBINED INDUSTRY AND GOVERNMENT
EFFORTS, AS WELL AS MERGERS AND THE CONSOLIDATION OF PRODUCT
LINES, COULD RESULT IN EXPANDING US EXPORTS. OUR SALES
TO THE NETHERLANDS DOUBLED BETWEEN 1971 AND 1975, MOVING
FROM \$11.6 MILLION TO \$23 MILLION. AMONG THE PRODUCTS
HAVING A GOOD POTENTIAL FOR INCREMENTAL EXPORTS ARE COM-
PUTERIZED AND NUMERICALLY CONTROLLED METAL WO
RING EQUIPMENT
AND SYSTEMS, PRODUCTS IN WHICH THE US HAS THE EDGE.

3. SECTION IV - OTHER SPECIAL POST EFFORTS

A. ACTIVITY NO 1. PRIORITY RANK NO 8. TITLE: ENERGY
SYSTEMS

DESCRIPTION/JUSTIFICATION: US MANUFACTURERS ALREADY
HAVE A DOMINATING POSITION IN THE NETHERLANDS MARKET FOR OIL
AND GAS DRILLING EQUIPMENT. IMPORTS COVER VIRTUALLY THE
ENTIRE DEMAND AND THE US SHARE EXCEEDED 65 PERCENT OF
THE TOTAL IN 1975. (1975 IMPORTS ARE ESTIMATED AT \$80
MILLION, OF WHICH \$55 MILLION WAS FROM THE US). MARKET
GROWTH IS FORECAST AT ABOUT 10-20 PERCENT ANNUALLY AND
IMPORTS ARE EXPECTED TO EXCEED \$120 MILLION BY 1979. THERE
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 THE HA 01489 04 OF 05 230737Z

ARE ALSO POSSIBLE DEVELOPMENTS IN THE ELECTRIC POWER INDUSTRY, SUCH AS A GREATER USE OF COAL AS A FUEL, THE CONSTRUCTION OF A \$200 MILLION COAL GASIFICATION FACILITY NOW UNDER CONSIDERATION, AND THE POSSIBLE CONSTRUCTION OF THREE NUCLEAR PLANTS, WHICH COULD PROVE FAVORABLE TO INCREASED US EXPORTS.

B. ACTIVITY NO 2. PRIORITY NO 10. TITLE: USIT USA

DESCRIPTION/JUSTIFICATION: THE NUMBER OF TRAVELERS FROM THE NETHERLANDS TO THE UNITED STATES HAS CONTINUED TO REGISTER SUBSTANTIAL INCREASES IN THE LAST FEW YEARS. IT IS NECESSARY TO EXPAND THE KNOWLEDGE OF THE DUTCH TRAVEL INDUSTRY OF THE US AS A TOURIST DESTINATION. THE INCREASING COOPERATION OF USTS, WASHINGTON AND LONDON, HAS APPRECIABLY ENHANCED THE EFFECTIVENESS OF OUR EFFORTS TO ACQUAINT THE DUTCH TRAVEL INDUSTRY WITH THE PROFITABLE OPPORTUNITIES OFFERED BY THE UNITED STATES, AS WELL AS DEVELOPING INTEREST OF INDIVIDUAL NETHERLANDS RESIDENTS IN TRIPS TO THE US. ACTIVE PROMOTION OF THE US AS A DESTINATION WITHIN OUR EXTREMELY LIMITED MEANS, IN COMPARISON WITH THAT OF OTHER COUNTRIES, COULD HELP TO MAINTAIN AND HOPEFULLY IMPROVE THE UPWARD TREND OF THE NUMBER OF NETHERLANDS RESIDENTS TRAVELING TO THE UNITED STATES.

C. ACTIVITY NO 3. PRIORITY RANK NO 14. TITLE: FOOD PROCESSING AND PACKAGING EQUIPMENT

DESCRIPTION/JUSTIFICATION: NETHERLANDS IMPORTS IN 1976 OF THESE PRODUCTS ARE ESTIMATED AT \$175 MILLION, OF WHICH THE US SUPPLIED SOME \$20 MILLION --A THREE-FOLD INCREASE SINCE 1971 WHEN OUR EXPORTS AMOUNTED TO \$6.3 MILLION. THE US CONTINUES TO BE THE SECOND LARGEST SUPPLIER, AFTER WEST GERMANY. ADVANCED AND AUTOMATED AMERICAN EQUIPMENT, PARTICULARLY FOR THE DAIRY INDUSTRY, POULTRY AND MEAT PROCESSING, BEVERAGE PRODUCTION, BAKERY OPERATIONS, AS WELL AS FRUIT

UNCLASSIFIED

PAGE 03 THE HA 01489 04 OF 05 230737Z

AND VEGETABLE PROCESSING AND PACKAGING, ARE OF SPECIAL INTEREST TO THIS MARKET. TRADE PROMOTION EFFORTS WOULD ENHANCE THE POTENTIAL FOR INCREMENTAL US EXPORTS IN 1979.

D. ACTIVITY NO 4. PRIORITY RANK NO 15. TITLE: ELECTRONIC PRODUCTION AND TEST EQUIPMENT

DESCRIPTION/JUSTIFICATION: THE NETHERLANDS MARKET IS EXPECTED TO GROWN AND IMPORTS SHOULD REACH ABOUT \$80 MILLION BY 1979, OF WHICH ABOUT A FOURTH, OR \$20 MILLION, WOULD COME FROM THE US, ALTHOUGH OUR YEAR-TO-YEAR MARKET SHARE HAS VARIED FROM

20-35 PERCENT. SERIOUS AND GROWING COMPETITION FROM WEST GERMANY AND THE UK MAKES US TRADE PROMOTION ACTIVITY ALL THE MORE IMPORTANT IF AMERICAN SUPPLIERS ARE TO MAINTAIN AND EXPAND THEIR MARKET SHARE.

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 THE HA 01489 05 OF 05 230746Z
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 MMO-04 CIAE-00 INR-07 LAB-04
NSAE-00 PA-02 SIL-01 USIA-15 PRS-01 /055 W
-----230759Z 050745 /21

R 221538Z MAR 77
FM AMEMBASSY THE HAGUE
TO SECSTATE WASHDC 121
USDOC WASHDC
INFO AMEMBASSY BRUSSELS

UNCLAS SECTION 5 OF 5 THE HAGUE 1489

E. ACTIVITY NO 5. PRIORITY RANK NO 16. TITLE: EQUIPMENT
FOR THE CHEMICAL AND PETROCHEMICAL INDUSTRY

DESCRIPTION/JUSTIFICATION: THIS INDUSTRY IS THE THIRD LARGEST IN THE NETHERLANDS AND REGISTERED SALES OF ABOUT \$7.9 BILLION IN 1976. CAPACITY USAGE, WHICH HAD DROPPED IN 1976, HAS NOW IMPROVED APPRECIABLY. THE INDUSTRY IS EXPECTED TO INVEST OVER \$1 BILLION IN 1977, OF WHICH EXPENDITURES ON EQUIPMENT ARE ESTIMATED AT SOME \$790 MILLION. THIS INDUSTRY IS EXPECTED TO GROW AT AN ANNUAL RATE OF 7-8 PERCENT FOR THE NEXT SEVERAL YEARS. IMPORTS OF CHEMICAL AND PETROCHEMICAL EQUIPMENT REACHED SOME \$140 MILLION IN 1975 WITH A US SHARE OF \$8.6 MILLION. ACCORDING TO INDUSTRY SOURCES, LABOR PRODUCTIVITY IN THIS INDUSTRY IS RELATIVELY LOW, PARTICULARLY IN COMPARISON WITH THAT OF THE US, AND A SUBSTANTIAL PROPORTION OF PLANNED INVESTMENT WILL BE DEVOTED TO IMPROVING PERFORMANCE IN THIS AREA. WITH ADEQUATE TRADE PROMOTION EFFORTS, US EXPORTS COULD BE INCREASED.

F. ACTIVITY NO 6. PRIORITY RANK NO 17. TITLE: PRINTING
AND GRAPHIC ARTS EQUIPMENT

DESCRIPTION/JUSTIFICATION: THE PRINTING AND GRAPHIC ARTS INDUSTRY IS IMPORTANT IN THE NETHERLANDS, BOTH FOR DOMESTIC
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 THE HA 01489 05 OF 05 230746Z

CONSUMPTION AND EXPORTS OF PRINTED MATTER. IT HAS HAD DIFFICULTIES IN THE LAST FEW YEARS WHICH HAVE RESULTED IN MERGERS AND CONSOLIDATIONS. VIRTUALLY ALL EQUIPMENT IS IMPORTED WITH THE EEC PRODUCERS SUPPLYING TWO-THIRDS OF THE MARKET. IMPORTS ARE EXPECTED TO REACH \$78 MILLION IN 1979 WITH AN ESTIMATED \$11 MILLION FROM THE US, PROVIDED WE MAINTAIN OUR CURRENT SHARE OF 14 PERCENT. ADVANCED EQUIPMENT IN THE MICRO-GRAPHICS FIELD AND LABOR SAVING EQUIPMENT ARE OF PARTICULAR INTEREST TO THIS MARKET. TRADE PROMOTION EFFORTS SHOULD LEAD TO INCREASED US EXPORTS.

G. ACTIVITY NO 7. PRIORITY RANK NO 18. TITLE: ASSISTANCE TO USTC'S IN EUROPE

DESCRIPTION/JUSTIFICATION: OUR EXPANDED ASSISTANCE TO THE US TRADE CENTERS IN FRANKFURT, LONDON AND PARIS, AN, ON AN EXPERIMENTAL BASIS, STOCKHOLM, HAS RESULTED IN AN INCREASED NUMBER OF NETHERLANDS BUSINESSMEN'S VISITS TO MAJOR EVENTS IN THESE USTC'S. WE WILL CONTINUE OUR EFFORTS IN COOPERATION WITH THE USTC'S, AS WELL AS THE RECENTLY OPENED US INTERNATIONAL MARKETING CENTER (IMC) IN COLOGNE.

H. ACTIVITY NO 8. PRIORITY RANK NO 19. TITLE: INVESTMENT PROTECTION AND FACILITATION

DESCRIPTION/JUSTIFICATION: THE US CONTINUES TO BE AN ATTRACTIVE LOCATION FOR DUTCH INVESTMENTS. THE BOOK VALUE OF NEW DUTCH INVESTMENTS IN THE US AMOUNTED TO \$817 MILLION IN 1975, BOOSTING TOTAL NETHERLANDS INVESTMENTS IN THE US BY THE END OF THAT YEAR TO \$3,649 MILLION. US INVESTMENTS IN THE NETHERLANDS BY HUNDREDS OF AMERICAN COMPANIES WERE VALUED AT \$3,386 MILLION AT THE END OF 1975. WE WILL CONTINUE OUR ASSISTANCE TO AMERICAN INVESTORS HERE, AS REQUIRED, AND WILL ENCOURAGE POTENTIAL DUTCH INVESTORS TO DISCUSS THEIR PLANS WITH THE VARIOUS STATE DEVELOPMENT AGENCIES.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 THE HA 01489 05 OF 05 230746Z

I. ACTIVITY NO 9. PRIORITY NO 20. TITLE: MAJOR PROJECTS

DESCRIPTION/JUSTIFICATION: WE EXPECT THAT THERE WILL BE MAJOR PROJECTS IN THE NETHERLANDS ALTHOUGH THEY MAY BE LIMITED IN NUMBER. WE WILL ALERT WASHINGTON REGARDING TH
ILQSKY
OS

AS EARLY AS POSSIBLE AND REPORT ON DEVELOPMENTS PROMPTLY,
PARTICULARLY FOR THOSE PROJECTS WHICH APPEAR TO OFFER
POTENTIAL FOR EXPORTS OF US GOODS AND SERVICES.
MCCLOSKEY

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Sent Date: 22-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977THEHA01489
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770099-0173
Format: TEL
From: THE HAGUE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770333/aaaabcsk.tel
Line Count: 552
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 09b3aab3-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 11
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 STATE 44899, 77 THE HAGUE 750, 76 STATE A-5960
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 27-Sep-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3030687
Secure: OPEN
Status: NATIVE
Subject: NETHERLANDS COUNTRY COMMERCIAL PROGRAM -- PRELIMINARY FY-1979 INPUTS
TAGS: BEXP, NL
To: STATE COM
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/09b3aab3-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009